

Notice No.: 01-003
Date: April 24, 2001
Applies to: Current and Potential PERS 2 Employers
Subject: New Reporting Requirements

Background

The Public Employees' Retirement System (PERS) Plan 3 will become effective March 1, 2002, for state and higher education employers, and September 1, 2002, for local government employers. PERS Plan 3 contains both a defined benefit plan, similar to PERS Plan 2, and a defined contribution plan. Employers will need to modify their payroll and retirement reporting systems to include new data elements that are not currently collected for PERS Plan 2 members. These new data elements are necessary for DRS to administer the defined contribution portion of PERS Plan 3.

Business and technical requirements for employers

The attached booklet, *Technical Requirements and Reporting Procedures for PERS Plan 3*, describes the business and technical requirements required to implement PERS Plan 3. This booklet should be distributed to all staff and/or organizations responsible for making the necessary systems and procedural changes. Employers should update their payroll information systems and business processes based on the information in the booklet to ensure the accurate reporting of PERS Plan 3 member data to DRS.

Reporting frequency and automation

PERS Plan 3 allows members to choose how their retirement contributions are invested. This shift from a defined benefit plan, like PERS Plan 2, to a hybrid defined benefit/defined contribution plan will mean that members can immediately be impacted by the timeliness and accuracy of the data employers report to DRS. These changes move employers and members into a daily reporting environment. To support this change, DRS strongly recommends employers consider the following improvements:

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- **Reporting frequency** – Employers should consider sending DRS a transmittal report for each payday versus monthly.
 - **Automated reporting** – Employers should consider using the File Transfer Protocol (FTP) or other electronic reporting options, instead of diskettes, tapes, or paper. Additional information about automated reporting is available on page 33 of the *Technical Requirements and Reporting Procedures for PERS Plan 3*.

Both of these items support the daily environment of PERS Plan 3 and can reduce the likelihood of reporting errors that could create an unanticipated liability for employers.

Using the Multiple Record Layout

The Multiple Record Layout (MRL) is mandatory for employers reporting Plan 3 members. This layout allows employers to report investment program, rate options and other specific Plan 3 information. The MRL also allows employers to update name or address information, eliminating the need to complete paper forms. Employers should allow adequate time for testing and implementing reporting improvements before PERS Plan 3 goes into effect. DRS encourages employers to submit test files to DRS to validate the correct formatting.

Expected changes by employers

The employer's current reporting method determines which changes need to be made to transition to Plan 3. Refer to the appropriate section below:

Employers using MRL

Employers that use the MRL must add a new field to the Plan Choice Record (formerly the Plan 3 Transfer Record). The new field is called Plan Choice, and is a two-character field used to record the member's plan choice.

Employers using the Single Record Layout

Employers that currently use the Single Record Layout (SRL) and report member information via diskette, tape or electronically, will need to start using the MRL. Employers must allow adequate time to test the new MRL prior to PERS Plan 3 implementation on March 1, 2002, or September 1, 2002.

Employers currently submitting paper reports

In the coming months, DRS will contact all employers currently using the paper reporting method to assist with the transition to an electronic method of reporting.

Those using spreadsheet software for any payroll or business functions may call Employer Support Services at 1-800-547-6657 or (360) 664-7200 for assistance converting to an electronic method. Refer to page 30 of the *Technical Requirements and Reporting Procedures for PERS Plan 3* for information on how spreadsheet software may be used to report member information to DRS.

Internet Based Employer Reporting

DRS is also developing an Internet-based alternative for submitting transmittal reports. Those employers that do not have experience with spreadsheet software may be good candidates for

this new reporting method. More information will be provided in future notices regarding the upcoming Internet based reporting vehicle.

Questions?

For questions regarding the information in this *DRS Notice*, please contact Employer Support Services at (360) 664-7200 or 1-800-547-6657.

This *DRS Notice* can be accessed on the DRS Web site at <http://www.wa.gov/DRS/employer/drsn/>.

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For a copy of a Notice, call (360) 664-7170 or 1-800-547-6657, or
access the DRS Web site at <http://www.wa.gov/DRS/employer>

Notice No.	Applies to/ Subject Matter
01-001	PERS, LEOFF, WSPRS and JRS Employers Members' Annual Statements and Sequencing Information
01-002	Current and Potential PERS 2 Employers Introducing PERS Plan 3
01-003	Current and Potential PERS 2 Employers New Reporting Requirements